



Captive Insurance Division
Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261, Phoenix, Arizona 85007-2630
Phone: (602) 364-4490 | Web: <https://difi.az.gov/captive-division>

PROTECTED CELL CAPTIVE INSURER (PCCI)
LICENSE APPLICATION SUPPLEMENT FOR
INDIVIDUAL PROTECTED CELL (PC)

NOTES:

1. Complete all sections clearly and completely. Limit broad references to other/separate application materials, particularly if this application for a new cell is submitted after the original PCCI application for licensure.
 2. If an item is not applicable, clearly indicate by marking "N/A".
 3. Submit a separate supplement with applicable exhibits or attachments for each cell to the address above.
 4. First year license fee = \$1,000 - Per cell
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1. Name of Protected Cell Captive Insurer: _____
2. Name or other identifier of the Protected Cell: _____
3. Who is the parent or beneficial owner / participant of the PC? If more than one, list all significant owners, % ownership, and provide an organization chart of all related parties as an attachment.

4. Provide recent financial statements, preferably audited, of the PC parent or beneficial owner.
5. What is the PC participant's business / industry? _____
6. Is the PC ____ (a) incorporated or ____ (b) unincorporated? Check (a) or (b). If incorporated, provide corporate formation documentation.
7. Have any of the parties connected with this application ever applied successfully or unsuccessfully for authority to transact insurance business in any other jurisdiction? If so, provide details. Attach supporting documentation or a separate sheet if more space is needed.

8. Proposed start-up date and/or initial coverage date of the PC? _____
9. What is the business or risk management purpose(s) of establishing this PC?

10. If the sponsor, PCCI, or PC participant will make an initial capital contribution or other infusion of cash to the cell above the initial premium, how much will be contributed? \$ _____
11. If the PC expects to maintain capital and surplus in the PC (may be required by the participation agreement or the Department), how much will be maintained? \$ _____
12. Provide a copy of the participation agreement and any related agreements governing or affecting the PC. Aside from the participation agreement, this may include administrative service or management agreements, reinsurance treaties, etc. Provide a list of those agreements as an attachment.

13. Respond to all of the following questions or statements related to A.R.S. 20-1098.01(H), and .05:

- a. The PCCI will separately account for each PC, including the above-referenced, to reflect the financial condition and results of operations, net income or loss, dividends and other financial activities of each cell? Check box to confirm: ☐

- b. How will PC loss and expense experience be accounted for and reported to the Director?

- c. The financial records of the PCCI and each PC will be available for inspection or examination by the Director? Check box to confirm: ☐

- d. The PCCI will allocate expenses fairly and equitably to each PC? Check box to confirm: ☐

Describe the general methodology for that allocation and how it may change as PCs are added or subtracted from the PCCI program.

- e. With respect to this PC, the insurance business written by the PCCI is at least one of the following: (Check all that apply)

- ☐ Assumed from an insurance company licensed under the laws of this or any state
☐ Reinsured by a reinsurer authorized or accredited by this state
☐ Secured by a trust fund or an irrevocable letter of credit with an evergreen clause

14. Provide the following information related to the PC's insurance program and operations:

- a. What party or parties will be insured via this PC and indicate the affiliation to the PC?

- b. The PC's business will be ☐ direct written, ☐ assumed, or ☐ both. (Check one)

- c. List the lines of business or coverages in the cell and provide expected 1st year gross and net written premium for each:

Line of business / coverage		Gross WP \$		Net WP \$

- d. For each line of business in the cell, list the per occurrence and aggregate limits:

Line of business / coverage		Per occurrence		Aggregate

- e. Describe any ceded or assumed reinsurance related to the program. Be specific as to lines of business, types, attachment points, other significant terms. Also indicate how credit for reinsurance will be secured, if applicable. Attach a separate sheet if necessary.

- f. If different from the PCCI, list the service providers specific to the PC, and describe the services to be provided. Also indicate any direct or indirect affiliation(s) with other parties involved in the program at the PCCI or PC level. This list may include direct writers, ceding or reinsuring carriers, captive managers, actuaries, attorneys, or any other provider.

Service provider role		Firm/Name		Affiliation, if any		Other details/info

- g. What provisions or plans are in place if the PC encounters a lack of liquidity or solvency?

- h. Describe any plans or expectations for profit sharing, dividends, or other distributions that may involve the PC and its participant(s). If planned, how will amounts and timing be determined, by whom, and on what grounds?

[CERTIFICATION on next page]

CERTIFICATION

I certify that the information given in this application is true and correct and that all estimates given are true estimates based upon facts that have been carefully considered and assessed. I affirm that pursuant to A.R.S. §20-1098.01 the Protected Cell Captive Insurer will notify the Arizona Director of Insurance and Financial Institutions within thirty days of any material change in the information filed with this application.

Name: _____ Date: _____

Signature: _____ Title: _____

Subscribed and sworn to before me this _____ day of _____ 20 ____

Signature of Notary Public: _____

NOTARY SEAL: Notary Public authorized by law of the State of _____
to administer oaths.

My commission expires on _____